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PROPOSED POLICY POSITION ON
FEDERAL EXCISE AND ENERGY TAXES

BACKGROUND

President Clinton is promoting an agressive agenda for the United States, in the areas of deficit reduction, economic and social policies. Government spending has escalated to an all-time high, while America's savings and investment rates are still the lowest in the developed world. Further, unwarranted additional taxation will surely perpetuate the long-term continued decline in the financial position of the United States. Small business and start-up companies play a large role in our Southern economy; with agriculture, construction, manufacturing, mining and transportation all significantly impacted by proposed new taxes that would place an undue burden on our Southern consumers, producers and workers.

Cotton, poultry, rice, soybeans and tobacco would be especially vulnerable to energy and excise tax increases that would only serve to further exacerbate the disproportional and adverse economic impact of federal policies in the Southern states by the loss of as many as 300,000 additional jobs.

Historically, the median income in the Southern states is below the national average, and several recognized studies attest that consumer excise taxes place a disproportionate and unfair burden on the least affluent families. A more recent study by The Council of State Governments clearly shows that imposing additional consumer excise taxes on alcohol, motor fuel and tobacco would be an inadequate and unreliable revenue source for vital services, and an increase in consumer excise taxes will result in a loss of nearly $3 Billion in tax revenue to state and local governments. Moreover, proposed Department of Defense base closings will result in the loss of as many as 54,000 additional jobs, disproportionately and adversely impacting the Southern states.

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Source: https://www.industrydocuments.ucsf.edu/docs/qgnx0000

RECOMMENDATION

That the Southern Legislative Conference of The Council of State Governments strongly opposes the inclusion of federal consumer excise tax and energy tax increases in current and future federal policies.

Further, the Southern Legislative Conference urges President Clinton and the Congress work together to attain a program of progressive reform that will improve living standards for all Americans by implementing sound economic policies and establishing a long-term strategic plan to revive American competitiveness and to stimulate America's domestic and global growth.

Sponsored by: Representative Charlie Williams, Mississippi
Chairman, Southern Legislative Conference

April 28, 1993

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